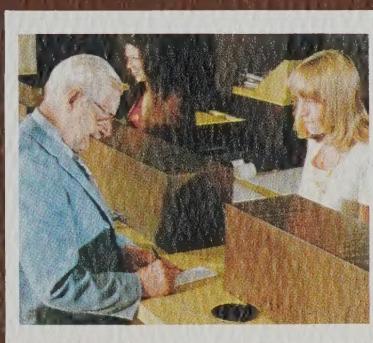


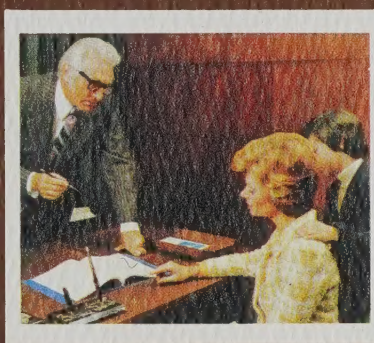
Canada Permanent



mortgages



savings



trustee



real estate

119th annual report / 1973

financial statements/1973

our standing at a glance

	1973	1972	Percentage increase
Net operating income	\$ 13,470,000	\$ 12,743,000	5.7%
Net operating income per share	\$1.90	\$1.79	6.1%
Net income per share	\$1.94	\$1.85	4.9%
Dividends per share	88¢	74¢	18.9%
Deposits, debentures and guaranteed investment certificates	\$1,778,549,000	\$1,536,995,000	15.7%
Mortgages	\$1,532,124,000	\$1,320,653,000	16.0%
Estates, trusts and agencies	\$2,318,914,000	\$2,197,924,000	5.5%
Number of shareholders . .	5,800	6,027	
Number of employees	2,663	2,483	

annual general meeting
royal york hotel, february 21, 1974

consolidated statement of income
year ended december 31, 1973

(with comparative figures for 1972)

	1973	1972
INCOME		
Interest from mortgage and other loans.....	\$132,822,000	\$115,943,000
Interest and dividends from securities.....	21,533,000	19,185,000
	<u>154,355,000</u>	<u>135,128,000</u>
Estate and personal trust fees.....	7,717,000	6,883,000
Corporate service fees.....	3,552,000	3,412,000
Pension trust fees.....	1,336,000	1,162,000
Investment management fees.....	751,000	701,000
Net real estate commissions.....	3,312,000	2,200,000
Other operating income.....	3,821,000	3,509,000
	<u>174,844,000</u>	<u>152,995,000</u>
EXPENSE		
Interest.....	113,003,000	98,435,000
Staff remuneration and benefits.....	22,877,000	19,682,000
Premises expense.....	3,900,000	3,531,000
Other operating expense.....	11,819,000	9,504,000
	<u>151,599,000</u>	<u>131,152,000</u>
Operating income before income taxes (Note 2(b)).....	23,245,000	21,843,000
Income taxes		
Current.....	801,000	9,375,000
Deferred (Note 4).....	8,974,000	(275,000)
	<u>9,775,000</u>	<u>9,100,000</u>
NET OPERATING INCOME.....	13,470,000	12,743,000
Gain on disposal of assets (Note 5).....	264,000	413,000
NET INCOME FOR THE YEAR.....	\$ 13,734,000	\$ 13,156,000
Earnings per share		
Net operating income.....	\$1.90	\$1.79
Gain on disposal of assets.....	.04	.06
Net income for the year.....	<u>\$1.94</u>	<u>\$1.85</u>

consolidated statements of general reserve
and retained earnings
year ended december 31, 1973

(with comparative figures for 1972)

	1973	1972
GENERAL RESERVE		
General reserve, beginning of year.....	\$72,315,000	\$67,315,000
Appropriation from retained earnings.....	6,000,000	5,000,000
Premium received on issue of shares of the Corporation.....	3,000	
General reserve, end of year (including \$36,328,000 contributed surplus in 1973; \$36,325,000 in 1972).....	<u>\$78,318,000</u>	<u>\$72,315,000</u>
RETAINED EARNINGS		
Retained earnings, beginning of year.....	\$ 9,324,000	\$ 6,422,000
Net income for the year.....	13,734,000	13,156,000
	<u>23,058,000</u>	<u>19,578,000</u>
Deduct:		
Dividends.....	6,249,000	5,254,000
Appropriation to general reserve.....	6,000,000	5,000,000
	<u>12,249,000</u>	<u>10,254,000</u>
Retained earnings, end of year.....	<u>\$10,809,000</u>	<u>\$ 9,324,000</u>

Canada Permanent Mortgage Corporation
and its subsidiary
Canada Permanent Trust Company

consolidated balance sheet / december 31, 1973

(with comparative figures at December 31, 1972)

ASSETS		
	1973	1972
Bank deposit receipts and cash.....	\$ 56,441,000	\$ 12,515,000
Securities (Note 1)		
Bonds and debentures.....	231,192,000	244,783,000
Stocks.....	60,441,000	47,399,000
	<u>291,633,000</u>	<u>292,182,000</u>
Loans		
Mortgages.....	1,532,124,000	1,320,653,000
Secured call loans.....	8,647,000	12,207,000
Personal loans.....	10,431,000	4,806,000
Advances to estates, trusts and agencies.....	2,840,000	3,220,000
	<u>1,554,042,000</u>	<u>1,340,886,000</u>
Office premises and equipment (Note 2(a)).....	<u>21,231,000</u>	<u>17,464,000</u>
	<u>\$1,923,347,000</u>	<u>\$1,663,047,000</u>

We hereby certify that to the best of our knowledge and belief the consolidated balance sheet at December 31, 1973 and the accompanying consolidated statements of income, general reserve and retained earnings for the year then ended are correct and show truly and clearly the financial condition of the Companies' affairs at December 31, 1973 and the results of their operations for the year then ended.

A. BRUCE MATTHEWS, Chairman of the Board }
D. G. NEELANDS, President } Directors

LIABILITIES		
	1973	1972
Demand deposits.....	\$ 462,334,000	\$ 464,990,000
Debentures and guaranteed investment certificates.....	<u>1,316,215,000</u>	<u>1,072,005,000</u>
	<u>1,778,549,000</u>	<u>1,536,995,000</u>
Other liabilities		
Income taxes payable.....	2,829,000	2,271,000
Dividend payable.....	1,562,000	1,562,000
Accounts payable.....	<u>19,368,000</u>	<u>17,643,000</u>
	<u>23,759,000</u>	<u>21,476,000</u>
Deferred income taxes (Note 4).....	<u>17,709,000</u>	<u>8,735,000</u>
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized—10,000,000 shares of the par value of \$2 each.....		
Issued — 7,101,455 shares (1972—7,101,155 shares).....	<u>14,203,000</u>	<u>14,202,000</u>
General reserve.....	<u>78,318,000</u>	<u>72,315,000</u>
Retained earnings.....	<u>10,809,000</u>	<u>9,324,000</u>
	<u>103,330,000</u>	<u>95,841,000</u>
	<u>\$1,923,347,000</u>	<u>\$1,663,047,000</u>

AUDITORS' REPORT

To the Shareholders of
Canada Permanent Mortgage Corporation:

We have examined the consolidated balance sheet of Canada Permanent Mortgage Corporation and its subsidiary, Canada Permanent Trust Company, as at December 31, 1973 and the consolidated statements of income, general reserve and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in

the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Companies as at December 31, 1973 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
January 21, 1974

CLARKSON, GORDON & CO.
Chartered Accountants

notes to consolidated financial statements

December 31, 1973

1. SECURITIES

Bonds are stated at amortized cost and stocks at cost. Securities held comprise the following:

	1973		1972	
	Stated value	Market	Stated value	Market
Bonds and debentures				
Bonds of or guaranteed by				
Government of Canada	\$ 35,377,000	\$ 33,853,000	\$ 72,719,000	\$ 71,792,000
Provinces of Canada	59,516,000	54,081,000	60,448,000	56,441,000
Canadian municipalities	8,131,000	7,340,000	10,866,000	10,066,000
Other bonds and debentures	128,168,000	119,076,000	100,750,000	95,212,000
	231,192,000	214,350,000	244,783,000	233,511,000
Stocks				
Preferred	25,353,000	21,757,000	18,704,000	16,030,000
Common	35,088,000	53,624,000	28,695,000	50,736,000
	60,441,000	75,381,000	47,399,000	66,766,000
Total securities	\$291,633,000	\$289,731,000	\$292,182,000	\$300,277,000

2. OFFICE PREMISES AND EQUIPMENT

	1973	1972
(a) Office premises and equipment consists of:		
Land, at cost	\$ 4,269,000	\$ 4,312,000
Buildings, leasehold improvements and equipment, at cost less accumulated depreciation	16,962,000	13,152,000
	\$ 21,231,000	\$ 17,464,000

(b) Depreciation computed on the straight line method and charged against operations in 1973 totalled \$1,250,000 (1972—\$1,062,000).

3. GUARANTEED TRUST ACCOUNT

Included in total assets are assets held for guaranteed trust account of \$856,571,000 (1972—\$732,793,000).

4. DEFERRED INCOME TAXES

On filing income tax returns in 1973 for the 1972 year, certain income which was accrued in the accounts in 1972 was deferred for tax purposes to the subsequent year, in accordance with the provisions of the Income Tax Act. While legislation has since been proposed which would retroactively deny this deferral, income taxes have been accounted for in 1973 on the basis of existing legislation. On this basis, the amount (\$8,500,000) by which 1973 taxes would be postponed to 1974 through a similar deferral for tax purposes of income accrued in the accounts in 1973, has been set aside with deferred income taxes in the consolidated balance sheet at December 31, 1973.

5. GAIN ON DISPOSAL OF ASSETS

	1973	1972
This consists of:		
Security losses	\$ 3,184,000	\$ 2,282,000
Security gains	2,592,000	2,209,000
Net security losses including non-taxable net gains of \$1,118,000 in 1973 and \$1,287,000 in 1972	592,000	73,000
Loss on disposal of office premises	23,000	450,000
	615,000	523,000
Applicable income tax reduction	879,000	936,000
Gain on disposal of assets	\$ 264,000	\$ 413,000

6. COMMITMENTS

At December 31, 1973 the companies had contractual obligations in respect of lease rentals as follows:

	Total amount payable in period
Within five years	\$ 7,400,000
6 to 10 years	5,650,000
11 to 15 years	2,810,000
16 to 20 years	2,550,000
Over 20 years	2,500,000
	\$20,910,000

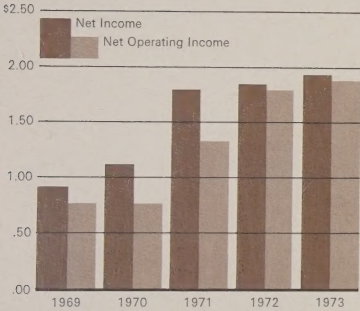
statistical review

	(\$'000 omitted)				
Position at year-end	1973	1972	1971	1970	1969
Company assets					
Mortgages	\$1,532,124	\$1,320,653	\$1,209,258	\$1,108,699	\$ 985,249
Other	391,223	342,394	342,698	314,939	296,459
	1,923,347	1,663,047	1,551,956	1,423,638	1,281,708
Estate, trust and agency assets	2,318,914	2,197,924	2,024,689	1,947,439	1,876,851
Total assets under administration	4,242,261	3,860,971	3,576,645	3,371,077	3,158,559
Demand deposits	462,334	464,990	397,580	344,246	303,674
Debentures and guaranteed investment certificates	1,316,215	1,072,005	1,027,681	977,134	882,691
Total borrowings	1,778,549	1,536,995	1,425,261	1,321,380	1,186,365
Shareholders' equity	103,330	95,841	87,939	79,330	75,382
Number of shares issued	7,101	7,101	7,101	7,100	7,100
Results for the year					
Income	174,844	152,995	138,805	123,404	102,752
Expense					
Interest	113,003	98,435	91,928	86,116	66,325
Staff remuneration	22,877	19,682	18,504	17,247	16,239
Other operating expense	15,719	13,035	11,064	10,415	10,585
Total expense	151,599	131,152	121,496	113,778	93,149
Operating income before income taxes	23,245	21,843	17,309	9,626	9,603
Income taxes	9,775	9,100	7,864	4,233	4,212
Net operating income	13,470	12,743	9,445	5,393	5,391
Security gains and extraordinary items	264	413	3,277	2,531	681
Net income	13,734	13,156	12,722	7,924	6,072
Statistics per share (Note)					
Net operating income	\$ 1.90	\$ 1.79	\$ 1.33	\$.76	\$.76
Net income	1.94	1.85	1.79	1.12	.86
Dividends	.88	.74	.58	.56	.56
Shareholders' equity	14.55	13.50	12.38	11.17	10.62

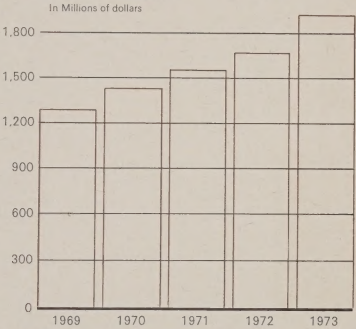
NOTE: Based on total shares outstanding on December 31 of each year

review of operations

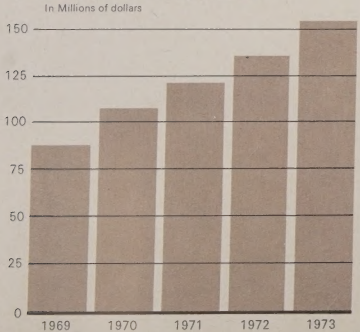
EARNINGS PER SHARE



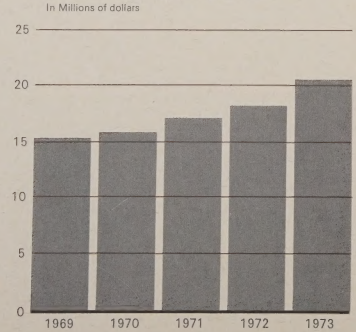
COMPANY ASSETS



INCOME FROM INVESTMENTS



INCOME FROM TRUST SERVICES



...and, with Canada Permanent
financial security through the years.



...and, with Canada Permanent
financial security through the years.





Canada Permanent/1973

to our shareholders

Most Canadian companies today are in the process of change, and Canada Permanent is no exception. Our objective is to provide a complete financial service to our customers. The young couple shown at the beginning of this report are pondering their future together: by fulfilling their needs—encouraging them to save, counselling them about borrowing, arranging their mortgage, discussing their estate plan—we would hope to retain them as friends and customers who will be happy doing business with us through the years.

As you will see, our Report itself has undergone a change. The new format provides for all the financial statements to appear together at the front of the book, leaving the rest of the publication for the narrative portion which deals with Regional and Product reports and other information.

Before dealing with the year's results, the Chairman and I want to thank all members of the staff for their continuing efforts in support of the Company's objectives. We also express our appreciation to the Board of Directors and members of the Advisory Boards for their valued counsel.

Despite the difficulties of operating in a volatile economy your Company had a most satisfactory year with new levels being reached both in profitability and in volume of business.

D. G. NEELANDS, *President*
Toronto, February 7, 1974.

FINANCIAL RESULTS

Net operating income rose to \$1.90 per share as compared with \$1.79 in 1972. Net gains on disposal of assets in 1973 amounted to 4¢ per share compared with 6¢ per share in 1972, with the result that net income for 1973 was \$1.94 per share compared with \$1.85 for 1972.

Record revenues of \$174,844,000 were achieved during the year. Profit growth, however, during the final nine months was adversely affected by a shrinking spread between cost of deposits and interest earned on the investment of these funds. Deposit rates were forced upwards in successive revisions in response to the inflationary factors present in the economy. In an effort to reduce the impact of a narrowing spread on net profit, steps were taken to increase our volumes of business. As a result, growth of net investment revenue reached 12.7% as compared with an average growth of 16.4% over the last five years. Continuing emphasis will be placed on deposit growth in 1974, with like emphasis being placed on an increase in the volume of our mortgage business.

The matching of the terms of assets and liabilities will continue to be a prime objective in 1974.

Reflecting the planned expansion of our real estate sales business, net real estate commissions of \$3,312,000 shows a gratifying 50.5% increase over 1972.

Corporate assets rose by \$260,300,000 or 15.7% during the year, topping the figure of \$1,663,047,000 as of last year-end. 79.7% of total assets was invested in mortgages as of December 31st compared with 79.4% at the end of 1972. Personal loans rose from \$4,806,000 to \$10,431,000. A substantial increase of \$244,210,000 was achieved in the term deposit area during 1973, although savings deposits decreased by \$2,656,000 in the year.

Estate, Trust and Agency assets under administration, valued at market at the date of acquisition of the account with subsequent additions at cost increased to a new high of \$2,318,914,000.

Late in 1972 your Company in concert with three other financial institutions formed Sovereign Mortgage Insurance Company for the purpose of insuring against default high ratio mortgage loans made by approved lenders. This represents a long term investment in a fast growing market. Sovereign Mortgage Insurance Company, which commenced operations in April 1973, has been very active and has insured or committed to insure over 10,000 loans across Canada at the end of 1973.

SYSTEMS

Early in the year a contract was signed with Datacrown Ltd. to provide data processing facilities for the Company. The conversion to Datacrown's IBM system/168 was completed by September 28th. Through this contract, we will gain improved financial control over data processing, more efficient use of data processing staff, and will provide better service to our customers.

We have commenced the installation of a new and sophisticated system of mortgage administration. This system will produce significant savings for Canada Permanent and, equally as important, will provide improved customer service through, among other things, the convenience of payment by pre-authorized cheque. The conversion to this system, commenced in February of 1973, will be complete across Canada by June of next year.

INCOME INVESTMENTS FUND

During the year the Company established Canada's first closed-end income trust. Canada Permanent Income Investments provides investors with an opportunity to own units in a fully managed fund investing primarily in fixed income securities. Income will flow through to unitholders each month without deduction of income tax, the tax in this case being the responsibility of the unitholder. Some \$40,300,000 of units were issued following an underwriting by a group of leading Canadian investment dealers. The units are now listed for trading on the Montreal, Toronto and Vancouver Stock Exchanges. Unitholders have the option to reinvest their monthly dividends in further units with the trust and units are eligible for investment in registered retirement savings plans.

MARKETING

We have turned away to some extent from generalized advertising and have begun to introduce marketing research analysis at the branch level. We are endeavouring to discover who our present and prospective customers are and where they are, what are their likes, what are their dislikes and what are their needs. Based on our research, we plan an innovative approach to satisfy customer needs where they are consistent with our clients' interest and those of the Company.

DIRECTORS AND ADVISORY BOARDS

We record, with great regret, the passing of Charles Hay and Oakah L. Jones, both of Toronto, and both of whom made an outstanding contribution to the Companies' progress.

Through the retirement provisions of the Trust Companies Act and the Loan Companies Act, Messrs. Eliot S. Frosst and Rhys M. Sale were ineligible for re-election in February of 1973. We also record the resignation of Mr. Donald J. McDonald, of Toronto, upon his assuming a senior position in another financial institution.

We welcomed to our Board in 1973 Mr. Roger L. Beaulieu, Q.C. of Montreal, Mr. Hugh H. Mackay, of Rothesay, N.B., Mr. John F. Perrett, Q.C., Mr. Keith MacDonald and Mr. Robert C. Dowsett, all of Toronto.

Our Advisory Boards consist of prominent business and professional men, who give generously of their time and who assist and advise the Managers of Branches where Advisory Boards have been constituted. In 1973 we welcomed to our Advisory Board at Charlottetown Mr. John M. Mulligan, at Fredericton Mr. Charles H. Llewlyn, at Montreal Mr. C. D. Marshall, at Hamilton Mr. Albert E. Woods, formerly of our Montreal Advisory Board, and at Regina Mr. W. T. Patton and Mr. T. G. Wakeling. With the opening of our Branch in London, England, Mr. Peter W. Bennett has kindly consented to act in an advisory capacity, pending the appointment of an Advisory Board in London.

THE OUTLOOK

We believe that rates of growth established in 1973 are unsustainable and we therefore anticipate some slowing in Canada's economic growth rate through 1974. Continued high rates of unemployment and substantial upward pressure on prices are indeed possibilities in the coming year. We are mindful of the fact that the magnitude of these developments may be determined largely by the vulnerability of the Canadian economy to political and economic developments which take place outside this country. With public policy makers attempting to steer a neutral course between inflation and slower growth, it appears unlikely that the sharp upward pressure on interest rates of 1973 will be repeated in 1974. Our projections call for medium and longer term interest rates to moderate by mid-year with the declines becoming more pronounced by year-end.

Within this environment and notwithstanding the strong competitive forces within our industry, there is ample scope for the realization of your company's dual objectives of balanced growth in market share and profitability. Your management team has and will continue to strive for these objectives on two fronts. Internally, by escalating the operational efficiency of your company and externally by stressing the quality of all existing services and aggressively seeking out new and unique areas of endeavour to satisfy the wants of our consumer-oriented society.

regional reports

Atlantic region



St. John's harbour.

The economic development of the four Atlantic provinces although actively supported and encouraged by incentives from the Federal and Provincial Governments is hampered by market size (the population being no larger than the cities of Toronto or Montreal). Transportation problems to larger markets discourage capital investment on a scale large enough to satisfy employment needs. It should be noted, however, that the region has enjoyed a boom in the economy along with that of the rest of the country. Indeed, many leading indicators of the regional economy are advancing at a faster rate than the national indicators. Examples are population, labour force, employment (but also, unfortunately, unemployment), farm cash receipts, value of factory shipments, newsprint production, housing starts, rental sales and the like.

Further development of natural resources—fish, timber, minerals and agricultural lands—together with continued exploration for oil and further expansion of our deepwater harbours throughout the region are necessary for continuing expansion of the economy.

Demand for mortgage funds was strong with construction of all types brisk although hampered by labour disputes and material shortage. Demand will continue into 1974 with housing still in short supply.

All services are readily accepted at our ten branches and we shall be part of, and share in, the steady growth in all four provinces in the future years.

At the end of 1973 total mortgage and other loans amounted to \$149,345,000 and our savings, including term deposits, amounted to \$137,598,000.

Eastern region

The economy of the Region which comprises part of Eastern Ontario and the Province of Quebec was on the rise throughout 1973 particularly in Quebec where the effects of the huge James Bay development are beginning to be felt, and which is benefiting from the political stability and comparative labour peace now prevailing in the province.

Construction is on the increase throughout the area and the demand for housing accommodation of all types is growing at an impressive rate. Because of this activity the number of real estate transactions in 1973 greatly exceeded those of the preceding year. To increase its share of the real estate sales market, Canada Permanent opened two new real estate sales offices in the Montreal area during 1973 and added considerably to the number of its sales personnel. Commissions from this source were more than double those of the previous year. Additional sales offices will be opened in 1974. All our branches throughout the Region showed increases in assets and revenue and all indications point to further increases in 1974. Locations for new savings branches in the Region are now under consideration.

At the end of 1973 total mortgages and other loans amounted to \$157,499,000 and our savings, including term deposits, amounted to \$146,190,000.

Montreal skyline.



Central region

A continued buoyant Real Estate market and increased construction resulted in record mortgage lending in Central Region in 1973 in spite of higher interest rates. Because of the relatively high economic activity we also experienced quite satisfactory growth in all our other services.

Ontario Region continues to be the testing ground for innovative marketing techniques. We are therefore watching with great interest the acceptance by the public of our Perma-Teller units. These units which are presently located in four Toronto and two Ontario branches provide a completely automatic 24 hour deposit and withdrawal service.

Unfortunately, as a result of strikes and other delays the transfer of our Toronto branch operations to the Yonge Eglinton Centre, 20 Eglinton Avenue West, was delayed until January, 1974. Details of other new and relocated branch openings in the region are dealt with elsewhere in this report.

The anticipated economic climate in this region augurs well for our continued growth and expansion.

At the end of 1973 total mortgages and other loans amounted to \$695,580,000 and our savings, including term deposits, amounted to \$1,048,825,000.

Ontario Place.



Alberta oil rig.

Western region

Our six Western Region branches all reported a very buoyant economy in their year-end reports.

Better prices for all agricultural products, plus improved income from livestock operations, gave the farmers in all areas an increased cash flow which enabled them to purchase new equipment, improve their housing and build up depleted savings. Thunder Bay reports strong demand for new housing and a shortage of serviced land. Manitoba's manufacturing industry showed steady gains and increased activity on the Government hydro-electric project on the Nelson River created many additional jobs.

Saskatchewan showed improvement in mining activity and there was an increased demand at higher prices for potash.

Alberta reported a very satisfactory year with a ready market for all petroleum, livestock and agricultural products.

The move into our new 6 story building in Edmonton took place late in January, 1974 and a second Edmonton branch is planned for later in the year.

At the end of 1973 total mortgages and other loans amounted to \$222,636,000 and our savings, including term deposits, amounted to \$259,580,000.

product reports

Pacific region

Overall economic development in B.C. was good during 1973. Demand for pulp and paper and the increase in prices of lumber and newsprint are likely to continue.

A strong demand for non-ferrous metals resulted in substantial price increases in 1973.

The labour force now tops one million and employment rose to give an unemployment rate of 4.6 per cent.

Housing activity has been at a record level for B.C. and all of our branches have maintained a good level of lending in a highly competitive mortgage market. The Provincial Government's declared intention of freezing Crown lands for housing, and support of second mortgages, as well as its agricultural land freeze are designed to ease the housing shortage, stabilize land prices and increase construction. Little actual impact is likely to occur in 1974. Early in 1973 an agreement was made to lease by late 1974 several floors of the Pacific Centre, a new office and retail store complex at the key corner of Georgia and Granville in downtown Vancouver. The present savings function will continue at 455 Granville, but all other operations will move to the new quarters because of additional space requirements. Canada Permanent will be one of the major tenants of this 18 story tower.

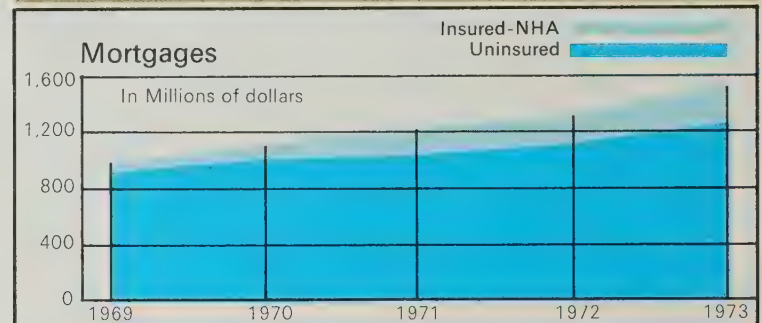
During the year a representative was placed in the City of Kelowna to further exploit business opportunities in the Okanagan Valley.

At the end of 1973 total mortgages and other loans amounted to \$326,142,000 and our savings, including term deposits, amounted to \$186,356,000.

Fraser River log boom.



mortgages



A record number of new residential starts and a strong residential resale market resulted in greatly increased volume of new mortgage loans. Total mortgage investments at December 31, 1973 amounted to \$1,532,124,000 an increase of \$211,471,000 or 16% during the year.

Canada Permanent achieved a mortgage portfolio of \$1,000,000,000 in 1970 after 115 years of mortgage lending. The increase to more than \$1,500,000,000 in the past three years reflects an aggressive marketing policy during a period of strong market demand.

Conditions favourable to mortgage lending are expected to continue throughout 1974 and we are optimistic that we shall achieve new and challenging volume objectives.

personal loans

Substantial progress has been made throughout the year in the development of our Personal Loan portfolio. Total volume of business processed in 1973 was \$16,155,000 compared with \$7,234,000 in 1972. Our total outstanding receivables were \$10,431,000 at the end of 1973 compared with \$4,806,000 in 1972.

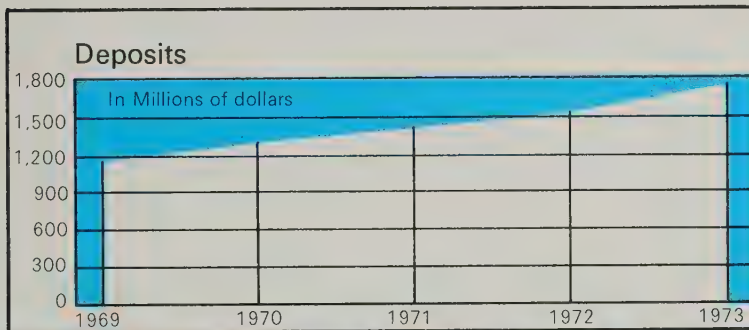
Late in 1973 our Quebec branches commenced granting personal loans, so that all branches are now offering this service. With all branches operative, and experience gained over the last two years, we are very confident that 1974 will see another substantial increase in loan receivables.

deposits

During the twelve-month period just ended our largest growth was experienced. By year-end, deposits amounted to \$1,778,549,000 which reflected an increase of \$241,554,000.

Interest rates were highly volatile throughout the year. Our five-year term rate moved from 7% to a high of 9% in late August and settled back to 8% by year-end. The rate paid on non-chequing savings increased in four successive stages from 5% to 6%.

It seems apparent that competition for personal savings will continue to be keen. Despite this, a continued growth of deposits is planned for the year ahead.



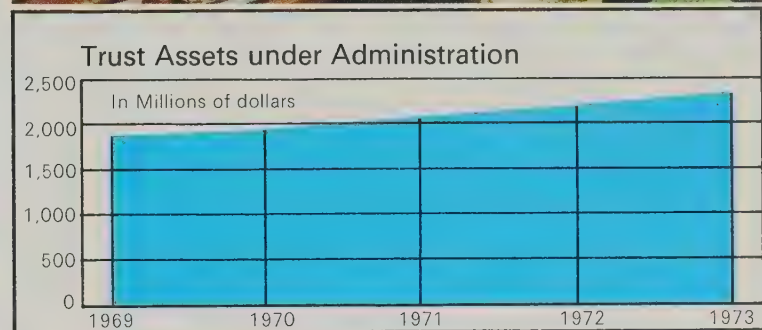
trustee

Continued growth in assets under administration is assured through new Will appointments obtained in 1973. Greater emphasis placed on quality business together with increasing acceptance of fee schedules should accelerate fee growth in future years.

A comprehensive and challenging training program has been designed for our Trust Personnel and is to be launched in 1974. This program will guarantee a continuation of quality service for our clients.

With the maturing of Canada's new income tax system, the requirement of tax accounting for capital gains has come to be recognized by more and more Canadians. Canada Permanent has responded to this requirement by offering

a specialty service through the media of our Investor Service and Custodianship accounts. Commission growth in this area of our business is an indication of its popularity.

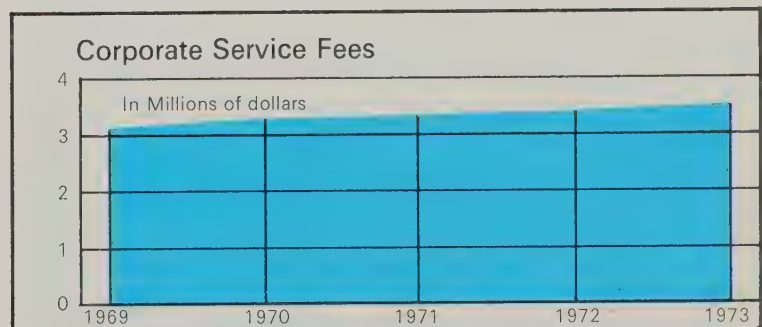


corporate services

Volume of transfer activity in 1973 was at about the same level as 1972. Fee schedules were adjusted upwards during the latter part of the year. Revenue for 1974 and subsequent years will reflect the full benefit of the increased charges.

The number of new Corporate Trust and Stock Transfer appointments received in 1973 was satisfactory considering the trend to higher interest rates and fluctuating stock markets.

Changing legislation has imposed additional responsibilities on Corporate Trustees and Stock Transfer Agents. We have kept abreast of legislative developments and informed Corporate clients of any important new provisions bearing on the performance of our duties on their behalf.

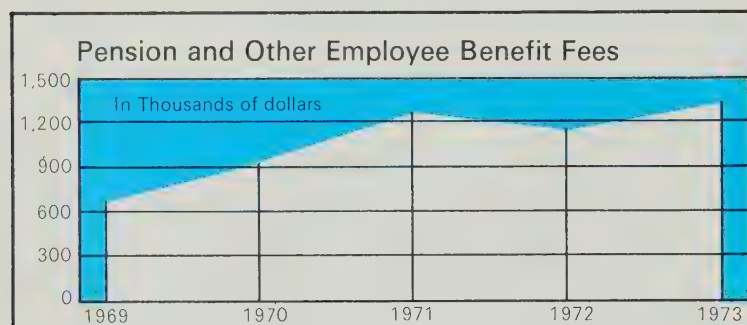


registered retirement savings plan

Growth in our Registered Retirement Savings Plan in 1973 was most satisfactory with total assets under administration now in excess of \$96 million. 1974 will be a year of increased competition but we hope to improve our share of the total market.

pension and other employee benefit plans

Competition in this area continues to be very keen but both assets under administration and fees have increased modestly. In the coming year we will continue to aggressively search out potential new clients.



Canada Permanent investment fund

Assets under administration continued to decline because of sagging stock markets and a net redemption of units. This trend is common in the industry at present. At the 1973 year-end there were 7,650 unit holders in the Fund with a market value of \$21,203,000.

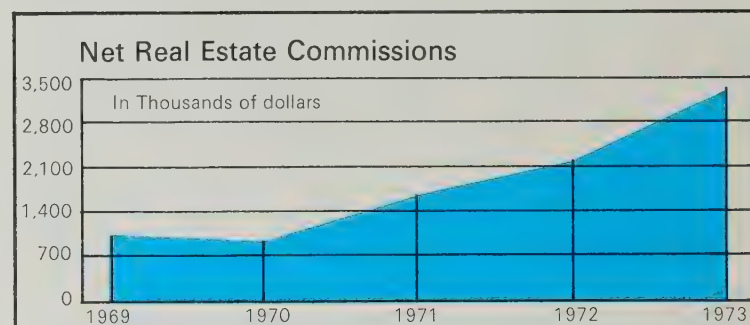
real estate

The Real Estate Division experienced substantial growth last year. Through opening 14 new offices and enlarging our sales staff in most urban areas in Canada we were able to take full advantage of buoyant market conditions.



In addition, the margin of our rate of return improved markedly and we believe it to be one of the highest in the industry.

Due to the establishment of a national training program our sales staff sold in excess of \$400 million of real estate in 1973.



premises

Oshawa



Oshawa Mayor with branch Perma-Teller unit.

In April we closed our Oshawa Shopping Centre branch and opened for business in a new downtown location. The mayor cut the ribbon and officially declared this handsome new building open for business. He complimented the Company for its foresight in locating the new office in downtown Oshawa and remarked that this leadership role would encourage other organizations to assist in revitalizing the downtown core.

Toronto Kingsway

Our Toronto Kingsway branch underwent extensive renovations this year and opened in May featuring a new

Perma-Teller unit. In September, the branch passed a significant milestone in its growth by exceeding the \$50 million mark in total savings and term deposits.

Interior of renovated Kingsway branch.



United Kingdom

In mid-year we opened an office in London at 6 Duke of York Street, St. James's Square. A. Rowan-Legg is in charge and Peter Bennett, Chairman of W. H. Smith & Sons Limited, acts as a one-man Advisory Board.

The view from our London office shows Admiralty Arch, the entrance to the Mall, which leads directly to Buckingham Palace. The statue is of King Charles I.



St. Catharines

The St. Catharines branch was opened in September with an official ceremony performed by the mayor. The branch, which contains a Perma-Teller unit, held a very successful savings campaign which resulted in well over \$1 million being deposited.



K. Gultinan, manager at St. Catharines, records opening radio commercials.

expansion programme



Canada Permanent Tower, Yonge and Eglinton, Toronto, to open early 1974.

Early in 1974 we are planning to open two new Toronto branches: the main Toronto branch which will be located at Yonge and Eglinton and a branch office at Kennedy and Sheppard in Agincourt. Also planned is a new satellite savings office for Montreal where renovations are underway to an existing building at Queen Mary and Decarie.

We also intend to open a new branch in Edmonton's Meadowlark Shopping Centre and our present branch offices in Edmonton and St. John's, Newfoundland, will move into their new downtown locations.

New branch office, Kennedy and Sheppard, Agincourt, to open early 1974.



new services



New satellite savings office in Montreal at Queen Mary and Decarie.

New building for Edmonton branch on Jasper Avenue.



Branch employee demonstrating Perma-Teller unit.

Perma-Teller

During the year we opened our first Perma-Teller unit, a 24 hour deposit and withdrawal service in Oshawa. We led the field in the trust company industry with this new service and received very high acceptance on the part of the public. The second and third units were opened at our Yorkdale Shopping Centre branch and at the Kingsway branch in Toronto. The fourth was a major attraction at our new branch in St. Catharines, Ontario. The installation of two additional units at the new Yonge/Eglinton branch and in Agincourt will provide a network of such units across Toronto.

condominium resale

A new real estate service was inaugurated in Metropolitan Toronto this year to handle Condominium resales. This is a growing market and we are endeavouring to take a leadership role in this business through an extensive direct mail programme and by personal contact with developers and officers of existing Condominium projects.

employee programmes

The challenge in this decade is to successfully manage the Company in an increasingly competitive and changing environment in which the expectations of both clients and employees are increasing. We are meeting these challenges by introducing a number of new management processes designed to improve our effectiveness in these areas.

This manpower programme includes components that will assist in meeting employee needs by ensuring that job opportunities are made available to employees. This will be achieved through such processes as Career Planning, Performance Review and Job Posting which have now been implemented into the Company. Employee communication, another essential ingredient to employee development has been greatly facilitated with the introduction of the Idea Bank and with the establishment of the staff newspaper. These two processes will assist in developing the communication links within the Company.

We have increased the investment in our employee training programmes in 1973 and we will continue to develop programmes in 1974 that will upgrade employee skills to ensure client service is maintained at a high level. Some of the programmes that have been introduced deal with Sales Marketing, Personal Loans, Mortgage Inspection, Customer Services, Real Estate Sales and Trust Officer Training.

The continued growth of our business demands an ever increasing investment on the part of the Company in employee training and development. The extent of this development is reflected by the total number of employees (3,500) on staff at year end. The major growth during the past year was with the commissioned Real Estate employees which now stands at 800, reflecting the national expansion of this service during the past year.

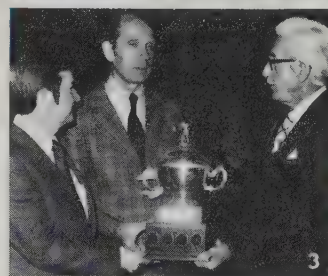
A branch manager conducts sales marketing seminar for staff.



Staff Newspaper Editor and President view layout of paper.



Taping session for Trust Officer Training Programme.



public
relations
activity

Charlottetown Centennial

Several officers of the Company visited Charlottetown during the Province's Centennial celebrations.

1. D. G. Neelands presents first installment of \$10,000 cheque to President of the University of Prince Edward Island for its progress fund.
2. General Matthews signs guest book in Premier's office together with Head Office and Advisory Board members.
3. Messrs. D. Stanhope (left), Manager and J. K. Wedlake, Regional Vice-President, presenting the Canada Permanent Trophy to the Captain of the Ontario Men's Team at closing of the 1973 Canadian Table Tennis Championship games.

Oshawa Award

4. Oshawa Chamber of Commerce Award presented to Oshawa branch for assistance in helping develop the downtown core of the city.

Student Writing Contest

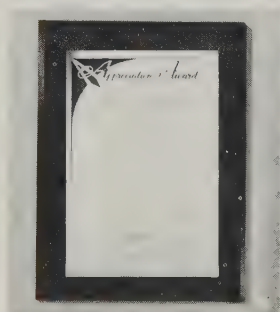
5. J. K. Wedlake, Vice-President Atlantic Region, presents \$1,000 cheque to Grand Prize Winner Michele Raymond who attends Dartmouth Academy.

Thomas Foster Picnic

6. Toronto Mayor (left) with A. E. Stead, Assistant Vice-President, chat with some of the 4000 children invited to an annual picnic which the company arranges for the estate of the late Thomas Foster who was once a mayor of the city.

Vancouver

7. Sydney Mentipty (centre), Vice-President Pacific Region, describes the Pacific Centre and our new main branch location in Vancouver to Messrs. W. H. Mowat (left), Chairman of the Advisory Board, and D. G. Neelands.



head office divisions

Corporate Division	Chairman	A. Bruce Matthews
	President	Donald G. Neelands
Operating Division	Senior Vice-President	K. Burn, Q.C. •
	Assistant Vice-President—Premises	R. B. McArthur
Services and Planning Division	Senior Vice-President	Eric J. Brown, Q.C.
	Assistant Vice-President—Customer Services	Berkeley Hynes
	Manager—Advertising and Public Relations	Denman Sinclair
	Manager—Marketing	C. Currie
Services Administration Division		
Investment Division	Vice-President	J. H. Deason
	Assistant Vice-President—Personal Trust & Agency Services	G. B. Clapperton
	Assistant Vice-President—Mortgage & Loan Services	J. E. Donahoe
	Assistant Vice-President—Savings Deposit Services	E. E. Spencer
	Assistant Vice-President—Corporate Services	B. B. Upshall
	Assistant Vice-President—Pension Trust Services	H. K. Minns
	Manager—Personal Loans	E. J. Turner
Finance Division	Vice-President	J. P. S. Mackenzie
	Assistant Vice-President—Investments	F. G. Porter
	Assistant Vice-President—Pension Investments	C. N. Halford
	Assistant Treasurer	R. R. Peace
	Assistant Vice-President—Investment Research	A. H. Steede
Personnel Division	Vice-President	H. G. Tait, C.A.
	Assistant Vice-President and Controller	E. A. Fricker, C.A.
	Assistant Vice-President—Information Services	G. Whitton
	Manager—Internal Audit	A. G. Gardner
Corporate Secretary's Division	Vice-President	N. G. Wright
	Manager—Organization Planning	J. A. Robertson
	Manager—Human Resources Development	R. A. G. Stuart
	Manager—Training	T. L. Shaw
International Division	Manager—Compensation and Benefits	D. L. Morden
	Vice-President and Secretary	E. G. Dewling
	Manager—Purchasing	K. E. Hare
International Division	Manager—Office Services	W. J. Driscoll
	Director	Claude Courtine
	Managing Director—	
International Division	U.K. and European Operations (London, England)	Allan Rowan-Legg

•Retiring December 31, 1973

board of directors

Chairman of the Board

A. Bruce Matthews, C.B.E., D.S.O.*† Toronto

President

Donald G. Neelands*† Toronto

Vice-President

Gordon F. Maclaren, M.B.E., Q.C.*† Ottawa

Roger L. Beaulieu, Q.C.*† Montreal
*Partner, Martineau, Walker, Allison,
Beaulieu, Phelan & MacKell*

• Sidney M. Blair*† Toronto
Chairman, Canadian Bechtel Limited

Charles F. W. Burns*† Toronto
Chairman, Burns Bros. and Denton Limited

Cyril F. H. Carson, LL.D.*† Toronto
Partner, Tilley, Carson & Findlay

John H. C. Clarry, Q.C.*† Toronto
Partner, McCarthy & McCarthy

J. M. Richard Corbett Toronto
Director, Mattagami Lakes Mines Limited

Edward F. Crease† Halifax
President, Alfred J. Bell & Grant Limited

R. C. Dowsett Toronto
President, Crown Life Insurance Company

G. Eric Ellsworth† Toronto
Company Director

Sheldon L. Fountaint† Halifax
President, North Eastern Corporation Limited

Jean J. Gourd, Q.C.† Montreal
Partner, Gourd & Monette

W. Douglas Hatch† St. Catharines
President, T. G. Bright & Company Limited

The Hon. Harry Hays*† Calgary
Member of The Senate of Canada

Ronald H. Jenkin† Calgary
President, Burritt Travel Service Limited

George L. Jennison*† Toronto
Company Director

William H. Jost, Q.C.*† Halifax
Partner, Burchell, Smith, Jost, Burchell & Chisholm

W. Leo Knowlton, Q.C.*† Toronto
Chairman, Zurich Life Insurance Co.

Thomas E. Ladner, Q.C.*† Vancouver
Partner, Ladner, Downs

J. K. Macdonald*† Toronto
Chairman, Confederation Life Insurance Company

Keith H. MacDonald Toronto
President, I.A.C. Limited

Hugh H. Mackay* Rothesay, New Brunswick
Director, Pitfield, Mackay, Ross & Company Limited

Charles F. Mackenzie*† Toronto
Company Director

Brian R. B. Magee*† Toronto
Chairman, A. E. LePage Limited

Douglas C. Marrs*† Hamilton
*Executive Vice-President, Administration and
Finance, Westinghouse Canada Limited*

Peter S. Morse, Q.C.*† Winnipeg
Partner, Aikins, MacAulay & Thorvaldson

William H. Mowat*† Vancouver

The Hon. Walter S. Owen, Q.C.*† Vancouver
*Lieutenant-Governor of the
Province of British Columbia*

John F. Perrett, Q.C.*† Toronto
Partner, Robertson, Lane, Perrett, Frankish & Estey

William P. Pigott*† Ancaster, Ontario
President, Pigott Construction Company Limited

John J. Robinette, Q.C.† Toronto
Counsel, McCarthy & McCarthy

J. W. Rose*† Toronto

Charles B. Stewart*† Toronto
President, Simpsons Limited

Colin M. A. Strathy, Q.C.*† Toronto
Partner, Strathy, Archibald, Seagram & Cole

E. Harold Tanner, O.B.E.*† Calgary
Tanner Bros. Limited

Norman E. Whitmore*† Regina
President, Whitmores Limited

Thomas Wildingt† Toronto
Director, Shaw & Begg Limited

Kenneth A. Wilson, Q.C.† Montreal
Counsel, Lafleur & Brown

*Canada Permanent Mortgage Corporation

†Canada Permanent Trust Company

•Retiring February, 1974

Atlantic Region

Nova Scotia Halifax

Dartmouth
Lunenburg
New Glasgow
Sydney

Newfoundland

St. John's

Prince Edward Island Charlottetown

New Brunswick

Fredericton
Moncton
Saint John

Quebec Montreal

Ontario Brockville Ottawa

Ontario Toronto

Brantford
Cambridge
Hamilton
Kitchener
London
Oakville
Oshawa
Port Hope
St. Catharines
Sarnia
Sault Ste. Marie
Sudbury
Windsor
Woodstock

Senior Vice-President K. Burn, Q.C.*
320 Bay Street, Toronto

Vice-President J. K. Wedlake
1646 Barrington Street
Assistant General Manager & Branch Manager Murray A. North, Q.C.
1646 Barrington Street
170 Portland Street, Branch Manager K. E. MacDonald
36 King Street, Branch Manager G. C. MacDonald
141 Provost Street, Branch Manager C. D. Fulmore
199 Charlotte Street, Branch Manager D. H. McAlary

275 Water Street, Branch Manager J. B. Ells

129 Kent Street, Branch Manager D. H. Stanhope

67 Carleton Street, Branch Manager R. N. Eckstein
814 Main Street, Branch Manager F. A. Kieley
53 King Street, Branch Manager R. R. Scarborough

Vice-President J. E. Nadeau
600 Dorchester Boulevard West
600 Dorchester Boulevard West, Branch Manager D. J. Sullivan
1326 Greene Avenue, Westmount, Branch Manager D. B. Lane
183 Hymus Boulevard East, Pointe Claire, Branch Manager B. F. Madigan
5222 Queen Mary Road, Branch Manager Miss M. Levene

20 King Street West, Branch Manager C. E. Gallagher
30 Metcalfe Street, Branch Manager A. W. Nicolle

Vice-President E. H. Smith
320 Bay Street
Assistant Vice-President A. E. Stead, C.A.
Yonge-Eglinton Centre, 20 Eglinton Avenue West,
Savings Manager T. G. Squires
Assistant Vice-President A. C. Langley
Toronto Savings Branches, 320 Bay Street
3114 Bathurst Street, Branch Manager R. D. Chase
320 Bay Street, Branch Manager R. Waldock
2518 Bayview Avenue, Branch Manager J. G. Wigglesworth
36 Bloor Street West, Branch Manager W. G. Howlett
2972 Bloor Street West, Branch Manager David H. Boyd
2901 Danforth Avenue, Branch Manager R. E. Wigmore
123 Eglinton Avenue East, Branch Manager K. W. Tomlin
45 Eglinton Square, Branch Manager D. V. Bell
2326 Kennedy Road, Branch Manager R. J. Ingram
34 King Street West, Branch Manager P. B. Myles
10 St. Clair Avenue West, Branch Manager H. M. Falconer
1943 Weston Road, Branch Manager R. W. Zachary
1901 Yonge Street, Branch Manager P. Chenhall
3335 Yonge Street, Branch Manager M. K. Longbottom
4833 Yonge Street, Branch Manager Mrs. L. Geluch
148 Yorkdale Shopping Centre, Branch Manager K. D. MacStephen

Assistant Vice-President H. K. Naylor
Ontario Branches, 320 Bay Street

70 Market Street, Branch Manager A. E. Quinlan
27 Water Street North, Branch Manager J. Dale
39 James Street South, Branch Manager J. L. Collis
19 King Street East, Branch Manager John M. Clarke
361 Richmond Street, Branch Manager E. G. Osler
233 Lakeshore Road East, Branch Manager J. H. Herring
22 King Street West, Branch Manager J. W. Froud
113 Walton Street, Branch Manager N. J. Lundvall
15 James Street, Branch Manager W. K. Gaultinan
195 Christina Street North, Branch Manager L. J. Dunsdon
629 Queen Street East, Branch Manager M. E. Fenchak
120 Durham Street South, Branch Manager R. J. D. Dench
545 Ouellette Avenue, Branch Manager N. A. Edwards
539 Dundas Street, Branch Manager A. A. Mowat

Western Region

Manitoba

Winnipeg

Vice-President C. R. Wilson
433 Portage Avenue
433 Portage Avenue, Branch Manager Howard P. Miller

Ontario

Thunder Bay

239 Arthur Street, Branch Manager E. S. Hird

Saskatchewan

Regina

1778 Scarth Street, Branch Manager C. W. Conrad

Saskatoon

170 Second Avenue South, Branch Manager A. Keith Forsyth

Alberta

Calgary

315 Eighth Avenue S.W., Branch Manager H. T. Young

Edmonton

10038 Jasper Avenue, Branch Manager R. S. Robson

Pacific Region

British Columbia

Vancouver

Vice-President S. Mentiplay
455 Granville Street
Assistant General Manager & Branch Manager J. Emmett Duff
2699 Granville Street, Branch Manager C. N. Devine
2154 West 41st Avenue, Branch Manager H. M. Brown
61 Yale Road East, Branch Manager E. A. Clarke
190 Seymour Street, Branch Manager R. Kevin Lane
262 Main Street, Branch Manager J. D. Lank
32-11th Avenue South, Resident Representative L. P. Burbidge
#9, 1638 Pandosy Street, Resident Representative W. M. Grottenberg
444 Victoria Street, Branch Manager R. E. White
1125 Douglas Street, Branch Manager C. J. Taylor

Chilliwack

Kamloops

Penticton

Cranbrook

Kelowna

Prince George

Victoria

•Retiring December 31, 1973

real estate services

Assistant Vice-President, R. E. Barr
1901 Yonge Street, Toronto

Eastern Region

Nova Scotia

Halifax

Sydney

Manager, Eastern Region, J. F. Briggs
1901 Yonge Street, Toronto

Newfoundland

St. John's

Dunn Building, 73 Portugal Cove Road

New Brunswick

Moncton

Saint John

983 Main Street

53 King Street

Quebec

Montreal

1600 Le Corbusier Boulevard,
Laval Shopping Centre, Chomedey
183 Hymus Boulevard, Pointe Claire
4014 St. Catherine Street W., Westmount
156 St. Charles West, Longueuil
7373 Langelier Boulevard, St. Leonard

Ontario

Toronto

3130 Bathurst Street
2968 Bloor Street West
1151 Dundas Street West, Mississauga
3430 Sheppard Avenue East, Agincourt
1218 St. Clair Avenue West
1468 Victoria Park Avenue
1901 Yonge Street
4833 Yonge Street

Burlington
Hamilton

405 Guelph Line
950 King Street West

Kitchener
London
Oshawa
Ottawa
Windsor

932 King Street West
849 Dundas Street West
500 Rossland Road West
30 Metcalfe Street
4505 Tecumseh Road East

Western Region

Manitoba

Winnipeg

Manager, Western Region, A. C. Sewell
205-3955 East Hastings St., Burnaby, B.C.

2621 Portage Avenue
232 Sherbrook Street

Saskatchewan

Regina

Saskatoon

2114-11th Avenue
170 Second Avenue South

Alberta

Calgary

180-94th Avenue S.E., McLeod Plaza
315 Eighth Avenue S.W.
5A-3200 17th Avenue S.E.
1334 Northmount Drive
10024 Jasper Avenue
6825-83rd Street
9444-149th Street

Edmonton

British Columbia

Abbotsford

Chilliwack

Vancouver

32661 South Fraser Highway
172 Yale Road East
4488 Main Street
955 West Broadway
2001 West 41st Avenue
1764 Lonsdale Avenue, North Vancouver
3953 East Hastings Street, Burnaby
13655-104 Avenue
7350 Edmonds Street, Burnaby
674 #3 Road, Richmond
22344 Selkirk Street, Maple Ridge

Vancouver Island

20 Front Street, Nanaimo
150 Station Street, Duncan
1125 Douglas Street, Victoria

branch advisory boards

St. John's, Nfld.

Chairman E. L. HICKMAN

Lewis H. M. Ayre
P. Derek Lewis, Q.C.
E. J. Phelan, Q.C.
E. A. Pratt

H. D. Roberts, M.D.
G. M. Stirling, Q.C.
William A. Tiller

Charlottetown, P.E.I.

Chairman ALAN K. SCALES

John M. Mulligan
H. B. Schurman

J. David Stewart

Saint John, N.B.

Chairman HUGH H. MACKAY

J. Ross Corbett
Thomas B. Drummie, Q.C.
Robert L. Emerson

Roy M. Lawson
H. L. McMackin
Wallace S. Turnbull

Moncton, N.B.

Chairman J. K. GRAINGER

Ralph W. Belyea
John Burchill
Gerald L. Comeau

•A. G. English
Stuart G. Stratton, Q.C.

Fredericton, N.B.

Chairman E. C. BROWN

B. L. Jewett, M.D.
Arthur McF. Limerick, Q.C.

Charles H. Llewelyn
Frank I. Morrison

Halifax-Dartmouth, N.S.

Chairman WILLIAM H. JOST, Q.C.

Edward F. Crease
S. L. Fountain
Charles E. MacCulloch

Donald McInnes, Q.C.
Hon. Victor deB. Oland
John E. Shaffner

Lunenburg, N.S.

Chairman LEON J. IVERSEN

James R. Creaser
Lyle D. Hopkins

Murray Mosher

New Glasgow, N.S.

Chairman J. DRUMMOND MACGREGOR

Waldo Goodman
D. C. Jewkes
Donald R. MacKay

E. C. Mingo
Thomas C. Sedgewick, Q.C.

Sydney, N.S.

Chairman ROY D. DUCHEMIN, Q.C.

Gordon Elman
D. Owen Hartigan

Daniel A. MacDonald

Montreal, Que.

Chairman ROGER L. BEAULIEU, Q.C.

Jean-J. Gourd, Q.C.
Philip M. Malouf
C. D. Marshall

J. R. Miquelon
Kenneth A. Wilson, Q.C.

Ottawa, Ont.

Chairman GORDON F. MACLAREN, Q.C.

George Edwin Beament
John M. Coyne, Q.C.
Dr. A. Davidson Dunton

Roy H. Hyndman
Donald MacLaren
Roger N. Seguin, Q.C.

Hamilton, Ont.

Chairman WILLIAM P. PIGOTT

•Emile L. Dubois
Ramsay A. Evans, Q.C.
D. H. Henderson
Douglas C. Marrs

K. B. Paulin
T. F. Rahilly, Jr.
J. G. Smith
Albert E. Woods

Winnipeg, Man.

Chairman PETER S. MORSE, Q.C.

John F. Baldner
William C. Gardner, Q.C.
S. Price Rattray

T. Bruce Ross
R. Bruce Sutherland

Regina, Sask.

Chairman NORMAN E. WHITMORE

H. A. Crittenden
Hon. Gordon B. Grant

W. T. Patton
T. G. Wakeling

Saskatoon, Sask.

Chairman M. A. EAST

Hon. Sydney L. Buckwold
David E. Gauley, Q.C.

J. H. W. Sanderson

Calgary, Alta.

Chairman E. HAROLD TANNER

•J. A. Brusset
George E. Edworthy
W. N. Graburn
Hon. Harry Hays
R. H. Jenkins
R. F. Jennings

J. Howard Kelly, Q.C.
Charles Kennedy
•J. Angus McKinnon
Brett F. Sine
John Stevenson

Edmonton, Alta.

Chairman DR. WALTER H. JOHNS

Jack K. Campbell
Howard T. Emery, Q.C.
George W. Golden

S. A. Mactaggart
Stanley A. Milner

Vancouver, B.C.

Chairman W. H. MOWAT

•Ralph D. Baker
George C. Bradley
Ralph T. Cunningham
J. L. Gibson
•Hugh L. Keenleyside

Thomas E. Ladner, Q.C.
T. H. McClelland
Hon. Walter S. Owen, Q.C.
Harold M. Wright

London, England

Peter W. Bennett

•Retiring February, 1974.



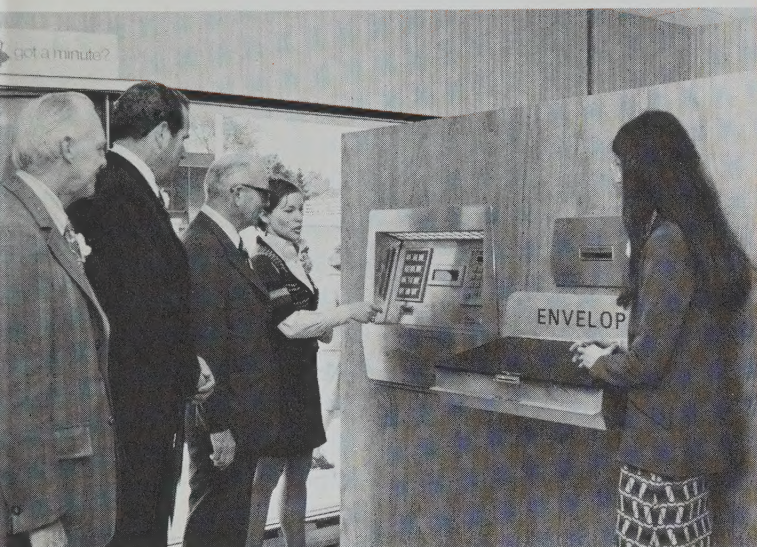
...and, with Canada Permanent
financial security through the years.



...and, with Canada Permanent
financial security through the years.

New Customer Services

AR80



Perma-Teller, a new 24-hour deposit and withdrawal service for savings customers, is now operating in three Ontario branch offices. The latest installation at the Kingsway in Toronto is being demonstrated here to Head Office Executives. Audio-visual programs via TV sets are used to help sell the program in the branches.



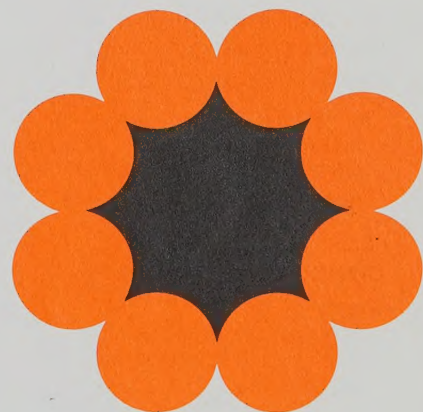
Yorkdale Branch in Toronto (also offering Perma-Teller service) is testing a new Speed-Line technique to help minimize delays and long waiting periods for customers.

Canada Permanent
Branches coast-to-coast

**Report
to Shareholders**

second
QUARTER

Six months ended June 30, 1973

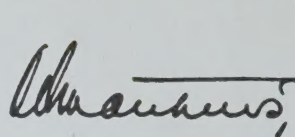


Canada Permanent Mortgage Corporation
Canada Permanent Trust Company

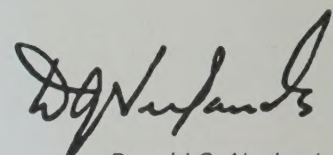
To the Shareholders:

Results for the first half of 1973 reflect an increase in net operating income of 8.3% to 95.1¢ from 87.9¢ per share in the first half of 1972. Income from our investment, trust and, in particular, real estate operations all showed satisfactory gains. Assets grew by over \$150 million (9.4%) during the twelve month period to \$1,761 million at June 30, 1973. Significantly, the mortgage portfolio represented 79.9% of these assets at that date compared with 77.7% a year earlier. Higher interest rates and narrowing spreads between borrowing and lending rates are expected to continue which can have an adverse effect on net operating income in the second half of

1973. However, a satisfactory increase in annual profit from 1972 levels is projected.



A. Bruce Matthews,
Chairman.
July 18, 1973



Donald G. Neelands,
President

Canada Permanent / Second Quarter

STATEMENT OF EARNINGS (dollars in thousands)

CONSOLIDATED OPERATIONS

Operating income

	Three months ending June 30 1973	Six months ending June 30 1973	1972	% Increase (decrease)
Income from mortgages	\$32,179	\$ 63,023	\$ 56,226	12
Interest and dividends from securities	5,103	9,913	10,219	(3)
Income from estates & personal trusts	1,915	3,633	3,337	9
Net real estate commissions	796	1,126	672	68
Other	2,501	4,557	4,129	10
	<u>42,494</u>	<u>82,252</u>	<u>74,583</u>	<u>10</u>

Operating expenses

Interest on deposits and borrowings	26,930	\$ 52,444	\$ 48,142	9
Salaries and staff benefits	5,661	11,140	9,643	16
Premises expense	923	1,788	1,694	6
Other	2,647	5,044	4,245	19
	<u>36,161</u>	<u>70,416</u>	<u>63,724</u>	<u>11</u>

Net operating income before income taxes

	6,333	11,836	10,859	9
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Income taxes	2,763	5,080	4,619	10
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Net operating income	3,570	6,756	6,240	8
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Gain on disposal of assets (net after taxes) ✓	122	63	(38)	266
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Net earnings	<u>\$ 3,692</u>	<u>\$ 6,819</u>	<u>\$ 6,202</u>	<u>10</u>
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Earnings per share

Net operating income	50.2¢	✓ 95.1¢	✓ 87.9¢	8
Gain on disposal of assets	1.7	.9	(.5)	266
Net earnings	<u>51.9¢</u>	<u>96.0¢</u>	<u>87.4¢</u>	<u>10</u>

CONSOLIDATED ASSETS AND LIABILITIES

Assets

Mortgages		\$1,406,331	\$1,250,572	12
Securities		284,843	306,772	(7)
All other assets		69,818	52,549	33
		<u>\$1,760,992</u>	<u>\$1,609,893</u>	<u>9</u>

Liabilities and equity

Deposits and customer borrowings		\$1,628,771	\$1,488,113	9
Other liabilities		32,686	30,053	9
Shareholders' equity		99,535	91,727	9
		<u>\$1,760,992</u>	<u>\$1,609,893</u>	<u>9</u>

Note: The above financial reports are unaudited.